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THE COTTON SITUATION

Summary

The August forecast of the 1938 United States cotton crop of 11,988,000 bales of 500 pounds gross is estimated to be roughly equivalent to about 11,850,000 running bales, including allowance for city crop. This, together with the world carry-over of American cotton at the beginning of the current season of close to 13,400,000 bales, gives an indicated 1938-39 world supply of this cotton of 25,250,000 running bales. Such a supply would be slightly larger than the 24,695,000 bale supply of last season, about 3-1/4 million bales larger than the average for the 5 years ended 1936-37, but 1 million bales less than the record supply of 1932-33.

Preliminary estimates of 1938-39 production in China, northeast Brazil and Mexico, and acreage in Egypt indicate that the combined production in these areas might show a decline in comparison with 1937-38 of between 1-3/4 and 2 million bales. On the other hand, official estimates of the plantings in India up to August 1 show a small percentage increase. While the total production of foreign cotton is expected to be considerably less than last year, the world carry-over of this cotton at the beginning of this season was probably about 2,700,000 bales larger than at the beginning of last season.

Since the first week of July, sales of cotton textiles by domestic mills apparently have averaged considerably less than production. Cotton mill activity and output increased materially during July, however, largely

as a result of the good-to-heavy sales by mills during June. When adjusted for seasonal variation, cotton mill activity in July averaged 25 and 15 percent, respectively, higher than in May and June.

Reports from foreign cotton mill centers indicate that in general foreign manufacturers' sales continued below the reduced output for the past several weeks and that mills in only a few countries experienced as favorable developments in June as did United States mills. Foreign consumption by foreign mills has probably declined more than seasonally since May.

From early July to August 15, a comparatively steady decline occurred in domestic cotton prices. Middling 7/8 inch in the 10 designated markets on the latter date averaged 8.20 cents per pound compared with slightly over 9 cents in the first full week of July and approximately 11 cents in the first week of August last year. The decline during July and early August of nearly 1 cent per pound canceled a large part of the advance which occurred during the preceding 6 weeks and reduced prices to less than 52 percent of the July parity farm price, thereby making Government loans on the 1938 crop mandatory.

PRICES

Between July 8 and August 15 domestic cotton prices declined nearly 1 cent per pound, the price of Middling 7/8 inch cotton in the 10 markets on the latter date averaging 8.20 cents per pound. This decline canceled a large part of the advance which occurred during the preceding 6 weeks and reduced prices to less than 52 percent of the July parity farm price. Therefore, Government loans on the 1938 crop became mandatory under the provisions of the amended Agricultural Adjustment Act of 1938. Since August 15 the average price of Middling 7/8 inch in the 10 markets has fluctuated within a few points (hundreds of a cent) of 8-1/4 cents.

Factors apparently contributing to the price decline since early July included the continued unfavorable position of cotton textile mills

in most foreign countries, further restrictions on the consumption of cotton in Japan in order to conserve foreign exchange, the comparatively low level of sales of cotton goods by domestic mills, and more favorable domestic crop conditions than formerly had been anticipated.

Despite the decline in the price of American cotton in the United States, the average in Liverpool during July was higher than in June. Prices of all important foreign growths at Liverpool averaged higher in July than in June but they were materially 21 to 36 percent lower than in July last year. For the month, the ratio of Liverpool prices of American Middling (fair staple, approximately 7/8 inch) cotton, to Indian (3 types - Broach, Oomra, and Sind) and Peruvian (Tanguis) averaged somewhat higher than in June and the highest for many months. The price of American cotton in July and June was the same relative to Brazilian Sao Paulo but was slightly lower relative to Egyptian Uppers.

EXPORTS

Exports of 5,598,000 running bales of American cotton during the 12 months ended July 31 exceeded those of the previous season by 158,000 bales or 3 percent. Exports in July totaled 196,000 bales and exceeded those of a year earlier by 72,000 bales. The largest increase over last year occurred in exports to Japan, with the 70,000 bales exported, representing an increase of 42,000 bales. Smaller absolute increases but larger percentage increases also occurred in exports to the United Kingdom, Italy, France, Belgium, and a few other countries (see table 1).

For the entire season exports to the United Kingdom were slightly over 400,000 bales (or 36 percent) larger than in the 1936-37 season and the largest since 1928-29. Exports to Italy showed the next largest absolute increase over those of the 1936-37 season with a total of 505,000 compared with 398,000 bales. These increases, together with substantial increases to a number of other countries, were largely offset by a decline of 860,000 bales (or 55 percent) in exports to Japan. It is significant to note, however, that exports to Japan in 1936-37 were considerably in excess of consumption with a resulting accumulation of stocks; during the season just ended the opposite situation occurred.

DEMAND AND CONSUMPTION

UNITED STATES: June sales large, mill activity greatly increased

Domestic cotton mill activity, adjusted for seasonal variation, in July averaged 15 and 25 percent higher, respectively, than in May and June but 20 percent less than in July last year. A rather large increase over May occurred despite the fact that since the first week of July sales of cotton textiles by domestic mills apparently have averaged considerably less than production as a result of the good-to-heavy mill sales during June. Trade reports indicate that domestic mill activity during the first half of August was about maintained at the improved rate reached during the latter half of July.

Total domestic cotton mill consumption in July amounted to 450,000 running bales compared with 583,000 in that month of 1937, 607,000 in 1936, and 391,000 bales in July 1935. This brought the 12 months' consumption of all cotton to 5,756,000 bales which was 28 and 9 percent less than in the 2 preceding seasons but larger than in 1933-34 and 1934-35. Total United States mill consumption of American cotton in the 1937-38 season amounted to 5,615,000 bales which, due to the increased activity in July, was somewhat larger than previously had been expected. The consumption of this cotton, however, was still 2,150,000 bales (or 18 percent) less than the record consumption of the previous season and 600,000 bales (or 10 percent) less than in 1935-36.

FOREIGN COUNTRIES: Total consumption of all growths reduced despite some increase in American

Total foreign consumption of all cotton for the season just past is now tentatively placed at about 21 million bales according to recent estimates of the New York Cotton Exchange Service. This is around 2 million bales below the record consumption of approximately 23 million bales estimated for the 1936-37 season. Consumption of American cotton outside the United States is estimated at about 5,635,000 bales compared with 5,300,000 bales in 1936-37 and an average of 6,840,000 bales during the 5 years ended 1936-37; it was the smallest consumption, with the exception of the preceding season, since 1923-24.

EUROPE: 1/ Situation unchanged

The last month of the 1937-38 season in Europe brought no significant change in the situation and outlook for the cotton industry.

Mill activity in most countries continued to decline - partly seasonal however. A little more new business in yarns and fabrics was noted in Western Europe, and inquiries have increased. Some hope is expressed for improved Danubian rural buying power in the coming season; otherwise, prospects for improvement in European domestic buying power are not encouraging. Reports indicate a gradual working-off of stocks of fabrics and yarns in several countries. Hand-to-mouth buying in the raw cotton market, characteristic of spinner operations during the 7 months of 1938, should be followed by improvement in the fall, according to some reports. The chief factor affecting trading enterprise in general, however, is the uncertain political situation in Europe and the Far East. Economic conditions in the United States are also being observed with deep interest because of their bearing upon world demand for raw materials and so generally upon the world economic trend.

There has been little change in the competitive position between American and other growths. During June-July Oomras and Broach as well as

1/ Based on a report dated August 4 prepared in the office of the Agricultural Attache at London.

Brazilian have become slightly cheaper, on a relative basis, but are still relatively more expensive than 1 and 2 years ago. The spreads, however, have widened measurably in favor of these competitive growths, as compared with the middle of the campaign. The same is not true, however, of Punjab American. It appears, therefore, that except for Egyptian Uppers, competitive growths have lagged behind American in the advancing market since the end of May.

In Germany, the increase in imports of raw cotton and cotton waste in 1937-38 - about 30 percent compared with 1936-37 - has never seemed fully reconcilable with the continued complaint about shortage of supplies. It now appears, however, that most of the increase in imports has gone into a raw material reserve. For, the 30 percent larger imports in the first 9 months of the season were accompanied only by a 2½ percent rise in the official index of cotton mill activity - and this in the face of greatly increased use of cell-wool by cotton mills.

Great Britain

Inquiry for cotton goods in Great Britain has been reported as fairly good for July, but actual business apparently has not yet broadened materially. Some progress is apparently being made in the movement of goods held by manufacturers for delivery instructions, but the majority of manufacturers are reported to have little more than 50 percent of looms operating and to be experiencing difficulty in finding orders to maintain that rate of activity.

The yarn trade is little if any more satisfactory, with deliveries reported at only about 60 percent of full-time capacity, and with much of the new business done in counts or taken by firms outside the price agreements. Forwardings of raw cotton to mills in July were at a rate slightly above that of June. Raw cotton markets, while not so quiet as in the spring months, have experienced only mild activity. A fairly good business in Sao Paulo Brazilian and some increase in demand for Egyptians is reported.

In certain quarters it is believed a substantial improvement in the Autumn must follow the hand-to-mouth operations which have characterized trading so far in 1938. Trade reports from Egypt indicate some forward buying of new crop cotton in anticipation of such an upturn. Some encouragement is derived also from the sustained levels of retail trade in Great Britain. Notwithstanding the lower pitch of business activity indicated by increases of unemployment and falling off of railway receipts, sales of piece goods in June, on a value basis, were but 1.5 percent lower than in June 1937, while for all categories of good reported there was an increase of 8.6 percent. Allowing for the different incidence of holidays in May and June of the 2 years, the May-June total in 1938 was 1.1 percent above the year before.

In the export field, there is some hope of favorable results from trade negotiations under way with India and shortly to be undertaken with Colombia as well as from negotiations with representatives of the Egyptian Government

concerning textile imports, duties on which were steeply increased in April. The chief factor, however, is the uncertain political situation in Europe and the Far East. The course of recovery in the United States also is being observed with much interest.

Germany

Continued high spinning and weaving mill activity was reported in Germany for the second half of June and July, on the lower basic level customary at this time of the year. It is still indicated that it has not been possible to satisfy demand fully, and a lack of skilled labor is reported.

A remarkable development in the current season is that the raw supplies imported have increased substantially compared with last year, while manufacturing has increased only to a very limited extent. This also explains statements to the effect that, with increased raw supplies, it had not been possible to satisfy fully current demand. Cotton mill activity, according to the official index, in the period August-April, 1937-38, was only about $2\frac{1}{2}$ percent above the same period 1936-37, while net imports of cotton spinning material increased by almost 30 percent. At the same time, supplies available from domestic cell-wool production also increased substantially. It is, therefore, concluded that Germany is likely to have accumulated since the middle of 1937 a measurable reserve of cotton spinning material, perhaps around 300,000 bales, in addition to the roughly 250,000 bales available on July 31, 1938 2/. Since Germany, in the case of an emergency that would completely shut off foreign supplies, could manage to get along fairly well on an annual supply of around a million bales of cotton spinning materials, current accumulated stocks would cover about one-half of Germany's needs for a year - the remaining half being more than made up by domestic capacity for the production of cell-wool 3/. The annual capacity of cell-wool is reported to have reached, by now, 330,700,000 pounds, 80 percent of which are used for the cotton industry (i.e. 264,600,000 pounds or 540,000 bales). Such, then, is the measure of cotton textile autonomy attained in Germany; considering the present supply situation, the country if needs be could do without imports for a year and yet have enough cotton spinning material at its disposal to take care of all urgent requirements.

2/ Bremen port statistics in July 1938 show an increase in stocks over last year by about 80,000 running bales. The accumulation suggested above is, therefore, likely to have been directed to spinning mills and other inland points.

3/ This production is now being made 100 percent domestic: in Germany proper it is to be based exclusively on beech wood and other domestically available material (straw in the Mark Brandenburg). Austria, of course, has ample supplies of the preferable fir wood as well.

General difficulties over the ASKI trading with Brazil, which during June had led to an abolition by the Bank of Brazil of the purchase of German ASKI marks and a prohibition to sell cotton to Germany except against payment in foreign exchange, seem to be on their way to settlement. On July 21 it was reported that the Banco do Brazil has resumed its purchase of ASKI marks. Nothing definite, however, has been heard of the cotton export question.

Austria

According to published statistics, new sales of cotton yarn by Austrian mills have drastically declined since the annexation. While sales in March 1938 were 3,114,000 pounds, they fell to 2,063,000 pounds in April and 1,659,000 pounds in May 4/. These figures probably reflect largely the loss by Austrian spinning mills of many of their Jewish customers in southeastern Europe, as well as transitory difficulties inherent in the reshuffling, on racial grounds, of the Austrian textile industry and trade.

Czechoslovakia

Mill activity in Czechoslovakia declined during the first half of 1938, and the depression in the industry continued. Business has not improved and the export outlook continues gloomy, except possibly for hopes for a better farmer-purchasing power in the Danube basin. The political uncertainties in central Europe are conducive to only a hand-to-mouth buying policy.

It is indicated that the Czechoslovak export institute intends to embark on an intensive export propaganda campaign for Czech textile goods. A recent trade agreement between Czechoslovakia and Turkey provides for higher Turkish import contingents for Czechoslovak cotton fabrics. Bulgaria, on the other hand, has recently decided not to allot any more currency buying permits for foreign cotton yarns and cotton goods - which amounts to a virtual import prohibition for some time to come.

Poland

Compulsory admixture of the small domestic production of "Cotonin" - the Polish version of staple fiber - to a specified group of cotton yarn counts has recently been decreed in Poland. It is said that a monthly quota of 882,000 pounds of cotonin must be admixed.

New sales for the summer season in June and July are said to have been fairly satisfactory, and revival of business was somewhat stimulated by the strength of the raw market. Large accumulated stocks of manufactures carried over from last year are reported to have been well reduced.

4/ Textile-Zeitung, Berlin, June 28, and July 12, 1938.

France

In late June and the first half of July, cotton spinners and weavers reported more inquiry and some improvement in actual sales of yarns and cloth, stimulated by firmness in the raw cotton market. Prices for yarns and manufactures also were firm and it is said that stocks in spinning as well as weaving mills have worked to a rather low level.

August is expected to be quiet and of much-reduced activity because of the customary paid-holiday shut-down of the mills. Accordingly, it has been announced that the futures market at Havre will be closed during August.

The special import fee of 0.01 cent per pound of cotton imported was raised recently to 0.02 cent. Proposals for a much more substantial increase in this fee - which is used for the promotion of cotton growing in the French colonies - were under consideration, but presumably were abandoned.

Italy 5/

No material improvement in the Italian cotton industry is expected in the near future. The domestic market is still reported to be overloaded with yarns and textiles that were manufactured from high-priced cotton and cannot be disposed of at present without a loss.

Cotton mill activity in Italy through June appears to have continued its slightly downward trend. January-May raw cotton imports amounted to 340,375 bales of 478 pounds, compared with 317,778 bales in the first 5 months of 1937. Italian exports of cotton yarns to countries other than her colonies were 13,256,000 pounds from January through May, compared with 17,092,000 pounds in the same period last year. But exports of cotton textiles were insignificantly larger than a year earlier.

According to a recent decision of the authorities, wages of workers in the cotton industry were raised 10 percent to compensate for the increased cost of living. According to newspaper reports, trade negotiations under way between Italy and Brazil are hoped to result in larger Italian buying of Brazilian cotton, as well as larger Brazilian buying of Italian textile (rayon) goods. Italian imports of coffee from Brazil are said to have been curtailed since the conquest of Abyssinia, and therefore, it is sought to substitute cotton for coffee in Italy's imports from Brazil.

ORIENT: Mill consumption higher in China 6/, lower in Japan

Keen demand for yarn from South China, active speculative buying and low stocks resulted in new record highs in yarn prices at Shanghai during the past month, the Bureau's Shanghai office reported on August 12.

5/ Largely based on information supplied by the American Consulate General at Milan.

6/ China, including Manchuria.

As a result, spinners' margins were very favorable and cotton mill activity in Shanghai showed some further increase. Mill activity in Hankow and Manchuria also increased during this period. Total cotton consumption during July, however, was estimated at 120,000 bales, the same as in June but much higher than in the early part of the season. It is expected that some further increase in mill activity and cotton consumption will occur during the months immediately ahead.

Prices of Chinese cotton in Shanghai advanced in July but not to the same extent as did nominal quotations of non-Chinese growths. Consequently, there was a further widening of the disparity in the prices of these growths and only small bookings of Brazilian and Egyptian cotton were reported. For several months, however, imports of cotton into Shanghai and Manchuria have been very small.

Japan

Unofficial reports indicate that cotton consumption by Japanese mills declined somewhat in July as compared with June and were perhaps only about two-thirds as large as in July last year. In June, cotton consumption by members of the Japanese Cotton Spinners' Association was the smallest in about $5\frac{1}{2}$ years, whereas in September 1937 consumption reached a new record high.

The decline in cotton consumption during recent months has resulted in part from the Japanese Government's cotton control measures, first in restricting and later in prohibiting the use of cotton for manufacture of yarns and cloth for sale in Japan and more recently in Manchuria and areas of China where Japanese currency is being used, and also from marked declines in sales to export markets which in 1937 constituted about half of the market for cotton textiles produced in Japan. The numerous Government regulations pertaining to cotton and cotton textiles are said to have caused considerable uncertainty and confusion. In late July, however, observers believed that more definite regulations would be forthcoming and the new system of control would go into full operation about August 1.

Reports indicate that sales of cotton textiles by Japanese mills in early August continued on a very restricted basis. This, together with the fact that stocks of yarn and cloth are apparently quite large, makes it seem likely that cotton consumption in Japan will continue on a very restricted basis for the weeks immediately ahead.

Present indications are that total mill consumption of cotton in Japan during the 1937-38 season totaled about $3\frac{1}{2}$ million bales. (American in running bales and foreign in equivalent bales of 478 pounds.) This is almost $\frac{1}{2}$ million bales less than in the previous year and the smallest since 1933-34

SUPPLY

American Cotton

The world carry-over of American cotton on August 1 is now estimated at 13.4 million bales compared with 6.2 million a year earlier, and the previous record high of 13.3 million bales. This carry-over, together with the present

estimate of the United States crop of 11,988,000 bales of 500 pounds gross (roughly equivalent to about 11,850,000 running bales, including allowance for city crop) gives an indicated 1938-39 world supply of this cotton of 25,250,000 running bales. This is slightly 2 percent more than the 24.7 million bale supply of 1937-38, 3½ million bales larger than the average for the 5 years ended 1936-37, but roughly 1 million bales less than the record supply of 1932-33.

The United States crop of 11,988,000 bales forecast by the Crop Reporting Board, based on conditions as of August 1, is 6,958,000 bales or 37 percent less than the 1937 crop and 1,213,000 bales less than the 10-year (1927-36) average. The average yield for the United States was forecast as 217.9 pounds per acre, which is 49 pounds less than the record yield in 1937 but, with this exception, the highest since 1898 when an estimated 223 pounds per acre were produced.

The cotton acreage of 26,347,000 acres which was used in the August Crop Report is the estimated acreage in cultivation on July 1 less the 10-year average abandonment. This estimated acreage for harvest is 23 percent smaller than in 1937, 26 percent less than the 10-year average, and smaller than any acreage harvested since 1900.

Foreign Cotton

On the basis of the latest estimates of the 1937-38 commercial supply of foreign cotton and tentative estimates of the quantity of this cotton consumed by mills and destroyed, the world carry-over of cotton other than American is estimated at from 9,750,000 to 10,000,000 bales. This represents a material increase over the record high carry-over of 7,100,000 bales a year earlier.

There is as yet comparatively little information available with respect to the crop prospects in foreign countries. The total Chinese crop, however, is now expected to be approximately 1,400,000 bales less than that of 1937-38; if this reduction is accompanied by some net decline in all other foreign countries combined, the total supply of foreign cotton would be about the same as the record supply of last season.

Preliminary estimates of production in northeastern Brazil and in Mexico place the 1938-39 crop in these two areas at 122,000 and 80,000 bales, respectively, less than that of 1937-38.

In Egypt the estimated 1938-39 cotton acreage is about 10 percent smaller than the record acreage of the previous year. With the same average yields as in 1937-38, the new Egyptian crop on this acreage would be 200,000 bales less than last year's production.

Contrary to earlier trade reports which indicate a reduction in the current season's planting in India, the official report of plantings up to August 1, which usually represent a little less than 60 percent of total plantings, gives an increase over last year of 3 percent. Comparatively small acreage increases have been reported for Chosen, Bulgaria, and Greece (see table 2).

Table 1.- Cotton: Exports from United States, Egypt and British India to specified countries, specified periods

Country of origin and destination	July: 10-yr. average 1923-24 to 1932-33	July: 1936	July: 1937	July: 1938	July: 1938 as a percentage of 1937	August 1 to July 31: 10-yr. average 1923-24 to 1932-33	August 1 to July 31: 1935-36	August 1 to July 31: 1936-37	August 1 to July 31: 1937-38	August 1 to July 31: 1937-38 as a percentage of 1936-37
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	Percent	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	Percent
Exports from United States to										
Germany	55	25	23	9	39.1	1,803	765	650	656	100.9
United Kingdom..	50	61	24	31	129.2	1,743	1,410	1,144	1,552	135.7
France	19	13	3	4	133.3	820	681	655	716	109.3
Italy	33	6	11	22	200.0	679	380	398	505	126.9
Spain	13	2	0	0	0.0	283	207	1/	1	--
Belgium	7	2	2	6	300.0	187	157	154	190	123.4
Canada	10	10	18	13	72.2	206	248	307	246	80.1
Japan	60	16	28	70	250.0	1,271	1,479	1,550	691	44.6
China	19	1/	0	1/	--	289	36	14	23	164.3
Other countries.	61	21	15	41	273.3	599	610	568	1,018	179.2
Total	327	156	124	196	158.1	7,883	5,973	5,440	5,598	102.9
	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent
Exports from Egypt to										
United Kingdom..	30	31	16	33	206.3	572	578	613	576	94.0
France	11	7	11	11	100.0	192	238	210	235	111.9
United States ..	7	4	1	3	300.0	167	53	61	38	62.3
Germany	7	10	6	23	383.3	107	151	139	218	156.8
Italy	6	2	6	10	166.7	99	82	116	120	103.4
Japan	3	5	1	11	1,100.0	65	118	209	90	43.1
Switzerland	3	3	2	4	200.0	62	56	76	78	102.6
U.S.S.R.(Russia)	7	2/	2/	2/	--	51	2/	2/	2/	--

Continued -

Table 1.- Cotton: Exports from United States, Egypt and British India to specified countries, specified periods - Continued

Country of origin and destination	July: 10-yr. average 1923-24 to 1932-33	July: 1936	July: 1937	July: 1938	July: 1938 as a percentage of 1937	August 1 to July 31: 10-yr. average 1923-24 to 1932-33	August 1 to July 31: 1935-36	August 1 to July 31: 1936-37	August 1 to July 31: 1937-38	August 1 to July 31: 1937-38 as a percentage of 1936-37
Exports from Egypt to (Cont'd)	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent
Spain	3	4	0	1/	--	48	96	0	1	--
Czechoslovakia..	2	4	3	5	166.7	31	66	77	62	80.5
British India ..	1	3	4	5	125.0	25	68	90	132	146.7
Poland & Danzig.	1	2	1	3	300.0	13	34	33	43	130.3
Other countries.	1	11	9	17	188.9	31	155	204	199	97.5
Total........	82	86	60	125	208.3	1,463	1,695	1,828	1,792	95.7

Country of origin and destination	June: 10-yr. average 1923-24 to 1932-33	June: 1936	June: 1937	June: 1938	June: 1938 as a percentage of 1937	August 1 to June 31: 10-yr. average 1923-24 to 1932-33	August 1 to June 31: 1935-36	August 1 to June 31: 1936-37	August 1 to June 31: 1937-38	August 1 to June 31: 1937-38 as a percentage of 1936-37
Exports from British India to	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	1,000 bales 478 lb.	Percent
Japan	106	129	188	63	33.5	1,206	1,473	1,920	620	32.3
Italy	22	2	10	5	50.0	277	77	182	84	46.2
China	34	2	9	1	11.1	287	86	19	59	310.5
Germany	16	20	9	10	111.1	180	229	157	116	73.9
Belgium	16	18	12	16	133.3	173	187	266	118	44.4
United Kingdom..	15	45	67	31	46.3	164	425	480	244	50.8
France	15	11	1	21	2,100.0	134	135	106	92	86.8
Spain	5	9	6	3/	--	57	57	6	3/	--
Netherlands	3	3	2	3/	--	35	35	47	3/	--
Other countries.	6	19	12	16	133.3	57	143	192	215	112.0
Total	238	258	316	163	51.6	2,570	2,847	3,375	1,548	45.9

Compiled from official sources. Current figures on exports from Egypt and India are from cables.
1/ Less than 500 bales. 2/ Included in all other, if any was exported. 3/ Not reported by cable.

Table 2.-Cotton: Estimates of acreage and production, 1/ specified countries 1934-35 to 1938-39

Country	Acreage 1934-35	Acreage 1935-36	Acreage 1936-37	Acreage 1937-38 2/	Acreage 1938-39 2/	Production 1934-35	Production 1935-36	Production 1936-37	Production 1937-38 2/	Production 1938-39 2/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bales 478 lbs.	1,000 bales 478 lbs.	1,000 bales 478 lbs.	1,000 bales 478 lbs.	1,000 bales 478 lbs.
United States	26,866	27,640	30,028	34,001	26,347	9,636	10,638	12,399	18,946	11,988
India 3/	23,972	25,999	25,219	26,084		4,065	4,965	5,285	4,867	
China 4/	7,078	6,250	8,447	9,300		3,243	2,667	3,870	5/3,600	2,200
Russia	4,787	4,827	5,023	5,163		1,738	2,250	3,250	3,482	
Egypt	1,798	1,733	1,781	2,053	1,852	1,566	1,769	1,887	2,282	
Brazil	3,981	5,054	5,220			1,328	1,757	1,824	2,191	
Peru	368	400	409			345	393	404	424	
Mexico	418	599	844	829		223	251	395	340	260
Argentina	707	763	713	1,036		295	373	144	281	
Uganda	1,186	1,366	1,487	1,737		212	272	269	314	
Anglo Egyptian Sudan	365	392	475	443		227	201	268	264	
Chosen	474	514	560	548	578	156	189	119	216	
Iran	237					128	129	157		
Turkey	487	521	628	783		162	186	157	277	
Bulgaria	48	89	78	113	143	18	39	29	40	
Greece	90	111	138	181	204	36	49	59	77	
Italy	7	10	27	54		4	4	10	20	
Kenya						7	13	19	15	
Nyasaland	42	84	91			8	16	9	8	
Estimated total in foreign countries	48,794	51,930	55,672	58,260		14,204	16,052	18,501	19,413	
Estimated world total	75,660	79,570	85,700	92,190		23,840	26,690	30,900	38,359	

Compiled from official sources and reports of the International Institute of Agriculture or estimated by the Bureau of Agricultural Economics.

1/ Includes large amounts of cotton grown in India, China, and other countries for consumption on hand spindles or in other ways in the homes without entering commercial channels. 2/ Preliminary. 3/ Includes Burma. 4/ Includes Manchuria. 5/ An exceptionally questionable estimate due to the disrupted conditions existing in many parts of China. Furthermore, it is significant that these conditions may result in an unusually small proportion of this crop ever reaching commercial channels.

This table may be used to bring to date tables on pages 4, 5, 6, and 7 of the 1938 Outlook Chart Book for cotton.

Table 3.-Brazil, cotton: Estimates of acreage, production, and yield per acre, 1921-22 to 1938-39

Season	Northeastern States 1/			Southern States			All Brazil		
	Area	Production	Yield per acre	Area	Production	Yield per acre	Area	Production	Yield per acre
	Acres	Bales of 478 lbs.	Lb.	Acres	Bales of 478 lbs.	Lb.	Acres	Bales of 478 lbs.	Lb.
1921-22	923,312	365,802	189.3	333,508	93,686	134.3	1,256,820	459,488	174.7
1922-23	1,067,413	387,765	173.6	443,918	96,509	103.9	1,511,331	484,274	153.2
1923-24	1,085,594	403,428	177.6	463,923	149,041	153.6	1,549,517	552,469	170.4
1924-25	1,455,473	564,719	185.5	456,404	174,814	183.1	1,911,877	739,533	184.9
1925-26	1,219,807	446,146	174.8	322,426	114,588	169.9	1,542,233	560,734	173.8
1926-27	1,238,861	431,156	166.4	183,153	62,259	162.5	1,422,014	493,415	165.9
1927-28	1,196,209	390,200	155.9	179,893	73,739	195.9	1,376,102	463,939	161.2
1928-29	1,223,140	384,804	150.4	170,195	45,277	127.2	1,393,335	430,0[illegible]	147.5
1929-30	1,570,377	518,372	157.8	155,236	52,666	162.2	1,725,613	571,038	158.2
1930-31	1,406,772	402,146	136.6	287,229	81,201	135.1	1,694,001	483,347	136.4
1931-32	1,641,690	428,882	124.9	358,246	126,377	168.6	1,999,936	555,259	132.7
1932-33	1,177,632	258,644	105.0	524,939	222,065	202.2	1,702,571	480,709	135.0
1933-34	1,711,980	483,278	134.9	1,138,667	530,377	222.6	2,850,647	1,013,655	170.0
1934-35	2,503,123	783,159	149.6	1,477,465	545,186	176.4	3,980,588	1,328,345	159.5
1935-36	2,539,736	826,029	155.5	2,514,022	931,217	177.1	5,053,758	1,757,246	166.2
1936-37	2,123,486	685,741	154.4	3,096,833	1,138,358	175.7	5,220,319	1,824,099	167.0
1937-38 2/		3/ 790,981			4/ 1,400,244			2,191,225	
1938-39 2/		3/ 668,759							

Compiled from Boletin de Informacoes #7 - Ministerio da Agricultura, Departamento Nacional da Produccao Vegetal, Servico de Plantas Texteis, Rio de Janeiro, June 1938.

1/ Includes all Bahia, except as noted.
2/ Preliminary.
3/ Includes Northern Zone of Bahia.
4/ Includes Southern Zone of Bahia.